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Development of a National Standard for Organic Products in Russia

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Report Highlights:

A draft law "On Manufacture of Organic Agricultural Products and Modification of the Legislative Acts of the Russian Federation" has been developed by the Ministry of Agriculture in collaboration with Russian industry and published on November 26, 2012. A definition of organic products, where its main feature is compliance with the requirements of national or international standards of organic agricultural products, is provided in the draft law. The law also covers issues related to the state support of the production of organic agricultural products and provides amendments to be made in a wide range of other federal laws. The law is currently in the draft phase and has not yet been notified to the WTO. The final law is anticipated to come into force in 2015. You can find an unofficial translation of the draft law in Appendix 1 of this report.

General Information:

The organic market in Russia is in the development stage. One of the main obstacles to market expansion is the absence of a regulatory body or state certification system for organic products. As a result, Russian producers keen to operate in the organic food market have to obtain official certification from third countries (often the EU) in order to place an official certification label on their products as bio or organic, or to export them abroad. Some Russian producers apply “bio” or “organic” labels without any official certification. Imports of organic products are currently not restricted to nationally certified food products. Thus, consumers do not have a consistent standard to look for on food product labels.

In 2012, several Russian producers of so-called “bio” products, e.g. Corporation Organic, the "Planet Health" group of companies, and the Association "Ecoklaster", came out with an open letter to the Russian Minister of Agriculture wherein they raised concerns about the lack of regulation of organic agricultural products in Russia and stressed the need to amend current regulatory rules. These companies introduced proposals to be included into a draft regulation “On Producing Ecologically Clean (Organic) Agricultural Products”.

As a result, the draft law "On the production of organic agricultural products and amendments to legislative acts of the Russian Federation" was developed by the Ministry of Agriculture and published on November 26, 2012. A definition of organic products, where its main feature is compliance with the requirements of national or international standards of organic agricultural products, is provided in the draft law.

According to the law, in order to be able to put an "organic" or “bio” label on packaging it is necessary to pass a voluntary certification. But for now there is no organization in Russia with the necessary accreditation, experience and acceptance that is similar to non-governmental regulatory authorities in the EU or the National Organic Program in the United States. At the present time, organic agricultural product manufacturers can use the services of European or the U.S. certifiers.

The law also covers issues related to the state support of the production of organic agricultural products by means of directed lending, risk hedging, and informational and methodological support of production.

The draft law also provides amendments to be made in a wide range of federal laws, particularly: the Federal Law dated 29.12.2006 No. 264-FZ “On Agricultural Development”, the Federal Law dated 02.01.2000 No. 29-FZ “On Foodstuff Quality and Safety”; the Federal Law dated 27.12.2002 No. 184-FZ “On Technical Regulation”, the Land Code of the Russian Federation, and several others.

There are farms in Russia working under the principles of environmentally friendly agriculture, e.g. without the use of synthetic herbicides, pesticides and mineral fertilizers. Russian farmers expect this law will make their products more competitive on the international market. They plan to offer reduced prices for their products and use Russia's accession to the WTO to enter the EU market with organics. Also the advent of bio/organic certification will provide greater assurance for consumers regarding the growing practices used in the production of organic foods in Russia.

The development of a national standard will begin after the draft law's approval by the State Duma. Until then, the government experts are studying U.S., European and Japanese certification schemes for organic products. The committee reports that harmonization of international and national standards is their main task.

The law is expected to come into force in 2015.

Unofficial Translation

FEDERAL LAW

**On manufacture of organic agricultural products and modification of
the legislative acts of the Russian Federation**

Article 1. Relations regulated by this Federal Law

This Federal Law regulates the relationship between the agricultural producers, other citizens, legal entities, and public authorities in regard to manufacture of agricultural products.

Article 2. Basic concepts used in this Federal Law

For the purpose of this Federal Law, the following basic concepts shall be used:

Manufacture of organic products – set of economic activities recognized as agricultural production in accordance with the Federal Law “On Agricultural Development”, all types of which (growing, manufacturing, processing of agricultural raw materials and food) meet the requirements established by this Federal Law, other federal laws.

Organic agricultural products – products that conform to the list of the agricultural products the manufacture, primary and further (industrial) processing of which is carried out by the agricultural producers, the list being approved by the Government of the Russian Federation and the products in compliance with the quality requirements verified in accordance with procedures prescribed by this Federal Law.

Article 3. The laws of the Russian Federation regarding manufacture of organic agricultural products, and the international treaties

The laws of the Russian Federation regarding manufacture of organic agricultural products include the present Federal Law, other federal laws, laws of the constituent entities of the Russian Federation, and regulatory legal acts of the local governments concerning manufacture of organic agricultural products.

Legislation on environmental protection, use and protection of land, forest, water, and other natural resources is applicable to manufacture of ecologically clean products unless otherwise provided in this Federal Law.

In case other requirements than those that are stipulated in this Federal Law are established for organic agricultural products in an international treaty of the Russian Federation ratified in accordance with the established procedure, the international treaty rules apply.

Article 4. Organic agricultural products

1. Agricultural products that meet the requirements established by one of the following documents are recognized as organic in the Russian Federation:
2. the national standard for organic agricultural products (provisional national standard for organic agricultural products),
3. an international standard for organic agricultural products or the standard for organic agricultural products of the foreign state registered in the Federal Information Fund of Technical Regulations and Standards,
4. a foreign or Russian certification system for organic products.
5. Organic products are certified in accordance with the requirements of the laws of the Russian Federation on technical regulation.
6. Assessment to confirm that agricultural products conform to the specified documents is carried out voluntarily based on the agreement between agricultural producers and certification authorities in accordance with the laws on technical regulation.

Article 5. State support and regulation of organic agricultural production

1. State support of organic agricultural production may be achieved by ways and methods stipulated by laws of the Russian Federation for state support of the agricultural production taking into account this Federal Law.
2. State support of organic agricultural production is rendered to agricultural producers who are in possession of the certificate of conformity issued by the certification authority included in the list of certification authorities approved by the federal government agency responsible for the state policy formulation and normative legal regulation in the agri-industrial complex.
3. State support of organic agricultural production may be provided in the following principal directions:
 - 1) organizational support to develop systems for certification of organic products in the Russian Federation;
 - 2) development and implementation of the federal, regional, local and industry-wide targeted programs incorporating a set of activities to put together and develop organic agricultural production;
 - 3) ensuring access to the tied credits designed to develop manufacture of organic products;
 - 4) information and methodological support to individuals involved in organic agricultural production or those who have such plans;
 - 5) state support programs to insure risks that occur in the process of manufacturing organic agricultural products;
 - 6) support to the consumer agricultural cooperation, small and medium entrepreneurship that render services to agricultural producers involved in organic agricultural production;
 - 7) support to research activities designed to put together and develop organic agricultural production;
 - 8) other areas provided for in the federal laws.
4. Manufacture of organic agricultural products is carried out in compliance with environmental protection requirements and regulations. The Government of the Russian Federation established additional environmental protection regulations in accordance with the Federal Law "On Environmental protection" for purposes of evaluating quality of the environment and its components to support organic agricultural production.

Article 6. Participation of unions (associations) of agricultural producers in development of organic agricultural production

1. Unions (associations) of agricultural producers can participate in setting up and development of organic agricultural production. Forms of such participation may include:

- 1) input in drafting normative legal acts, targeted programs, methodology recommendations pertaining to development of organic agricultural production;
- 2) participation in the implementation of targeted and other programs pertaining to development of organic agricultural production;
- 3) participation in the consolidation and dissemination of advanced organic agricultural production technologies and practical experience gained by agricultural producers;
- 4) participation in activities of the social councils responsible for certifying organizations eligible for voluntary certification of organic agricultural products;
- 4) participation in the development and discussions of the national standards for organic agricultural products and provisional national standards for organic agricultural products;
- 5) providing of recommendations to the list of certification systems (authorities) for organic agricultural products drafted in accordance with Article 5 of this Federal Law;
- 6) support of sales of organic agricultural products;
- 7) other forms of participation in accordance with the laws of the Russian Federation.

Article 7. Information and methodological support to organic agricultural production

1. The federal government authority responsible for the state policy formulation and normative legal regulation of the agri-industrial complex makes arrangements about the information and methodological support to organic agricultural production.

2. Information support to organic agricultural production is part of the system of the state information support in agriculture. Information, subject to mandatory posting and updating no less than once every quarter on the official website of the federal government authority responsible for the state policy formulation and normative legal regulation in the agri-industrial complex, on the Internet and official websites of the authorized government agencies of the constituent entities of the Russian Federation on the Internet, include the following information:

- 1) on activities of state support to organic agricultural production;
- 2) on organic agricultural production certification authorities included in the list approved by the federal government agency responsible for the state policy formulation and normative legal regulation in the agri-industrial complex.

3. The following information may be posted on the official websites of the authorized government agencies of the constituent entities of the Russian Federation on the Internet, official websites of the local government authorities, official websites of the unions (associations) of the agricultural producers on the Internet, except for the information stipulated in item 1 of this article:

- 1) on consumer agricultural cooperatives that supply products and services in order to produce organic agricultural products;
- 2) on business entities involved in specialized trade of organic agricultural products and organic foodstuffs;
- 3) on labeling and packaging requirements for organically clean agricultural products, other terms for designation of organic agricultural products arriving for retail;
- 4) on land parcels suitable for organic agricultural production;
- 5) other information to support production, deliveries and marketing of organic agricultural products.

4. Methodological support to agricultural producers involved in organic agricultural production includes:

- 1) making arrangements to teach general public including agricultural producers the methods and practices of organic agricultural production;
- 2) making arrangements to conduct freesurveys of business environment and condition of land or other natural resources of agricultural producers to determine their potential and conditions for making a transition to organic agricultural production;

3) freeconsulting services in the area of certification of organic agricultural products.

Article 8.

The following amendments shall be introduced to the Federal Law dated December 29, 2006 No. 264-FZ “On Agricultural Development”:

1. Sub-item 7 shall be added to item 2 Article 5, as follows:

“7) to ensure development of organic agricultural production”.

2. Article 13 shall be worded as follows:

“Article 13. State support to activities designed to improve land fertility, protect farmland, and pursue organic agricultural production.

For the purpose of pursuing the state policy designed to ensure the ecological balance, protection of farmland, improvement of land fertility, and organic agricultural production, agricultural producers receive state support to carry out certain activities defined by the government program, including activities related to:

facilitating the use of fertilizers from budget resources at local, regional and federal levels of the Russian Federation budgeting system in accordance with powers established by the laws of the Russian Federation;

encouraging manufacture of organic agricultural products.

Conditions and procedures for rendering state support to organic agricultural production are established in this Federal Law and Federal Law “On State Support to Manufacture of Organic (Ecologically Clean) Agricultural Products and Modification of the Legislative Acts of the Russian Federation”.

3. Words “by federal laws” shall be added to sub-item 10) item 4 Article 17 after words “on the other established”.

Article 9.

The following amendments shall be introduced to the Federal Law dated January 2, 2000 No. 29-FZ “On Quality and Safety of Foodstuffs”:

1. In Article 1:

a) a paragraph shall be added after paragraph two, as follows:

“organic foodstuffs are foodstuffs manufactured from organic food raw materials;”;

b) a paragraph shall be added after paragraph five, as follows:

“organic food raw materials are agricultural products recognized as organic in the procedure established by the federal law, and used to manufacture organic foodstuffs;”;

c) a paragraph shall be added after paragraph nine, as follows:

“quality of organic foodstuffs is a set of properties that occur in conjunction with the fact that foodstuffs are made from organic agricultural products, and are complementary to their quality;”;

2). Item 4 shall be appended to Article 15, as follows:

“4. Organic foodstuffs must be manufactured from organic agricultural products without the use of technologies that destroy properties of such products as organic.”;

3) The following paragraph shall be appended to Article 17 item three:

“To manufacture organic foodstuffs, it is permitted to use only such food raw materials that are supported with the certificate of conformity to the requirements for organic agricultural production provided to the manufacturing organization in accordance with the procedure stipulated in the laws on technical regulation and on manufacture of organic agricultural products”.

4) Item 4 shall be appended to Article 18, as follows:

“4. In addition to information specified in item 3 of the present article, information that these products are organic and produced from organic agricultural products in accordance with the certificate of conformity to the requirements of organic agricultural production, must be identified on labels or

stickers or inserts of the packaged organic foodstuffs. Words “bio”, “organic” on labels or stickers or inserts shall be used only with regard to organic foodstuffs”.

Article 10.

The second sentence of item three Article 31 of the Federal Law dated December 27, 2002 No. 184-FZ “On Technical Regulation” shall be worded as follows:

“Specifics of using the criteria pertaining to accreditation of the certification authorities and test laboratories (centers) and requirements thereto for certain types of products and services are established by the federal government authorities authorized by the Government of the Russian Federation, based on the international standards”.

Article 11.

Following amendments shall be introduced to the Land Code of the Russian Federation:

1) In Article 13:

in item 5, the words “, manufacture of organic including agricultural products” shall be added after the word “environment”;

in item 8, the words “, manufacture of organic including agricultural products” shall be added after the words “from adverse (harmful) effects of economic operations”.

3) item 4 Article 79, the words “, designed for manufacture of organic agricultural products” shall be added after the words “educational institutions of higher vocational level”.

Article 12.

In Article 12 of the Federal Law dated June 18, 2001 No 78-FZ “On Land Management”, the words “including manufacture of organic agricultural products” shall be added after the words “the means of production in agriculture”.

Article 13.

Following amendments shall be introduced to the Federal Law dated July 25, 2011 No. 260-FZ “On State Support to Agricultural Insurance and Modification of the Federal Law “On Agricultural Development”:

1. Item 3 shall be appended to Article 7, as follows:

“3. In the process of manufacturing organic agricultural products, the insurance object, in addition to those mentioned in items 1 and 2 of the present article, is the property interest associated with the risk that agricultural products lose their organic quality. Organic product quality is determined in accordance with the laws of the Russian Federation.”

2) Item 3 shall be appended to Article 8, as follows:

“3. In accordance with this Federal Law, state support is provided to insure risks that agricultural products lose their organic quality as a result of the following events:

1) exposure to natural and anthropogenic phenomena incompatible with organic agricultural production (salinization, soil, air and water radioactive and chemical contamination, littering up with production and consumption waste including biogenic contamination, ionizing radiation exposure),

2) introduction and (or) propagation of pathogens or genetically modified organisms,

3) animal contagious diseases included in the list approved by the competent authority, poisoning.”

Article 14.

Sub-item 4 shall be appended to item 2 Article 17 of the Federal Law dated December 28, 2009 No. 381-FZ “On the Principles of State Regulation of Commercial Activities in the Russian Federation”, as follows:

“4) encouraging of economic activity of business entities selling organic food and organic agricultural products”.

Article 15.

In paragraph three item 2 Article 10 of the RF Law dated February 7, 1992 No. 2300-1 “On Protection of Consumers’ Rights”, the words “with regard to attributing products to organic products in accordance with the legislation requirements, ” shall be added after the words “nutritional value,”.

Article 16. Entry into force of this Federal Law

1. This Federal Law comes into effect on the date of its official publication.
2. Provisions of this Federal Law concerning state support to organic agricultural production apply from January 1, 2015.